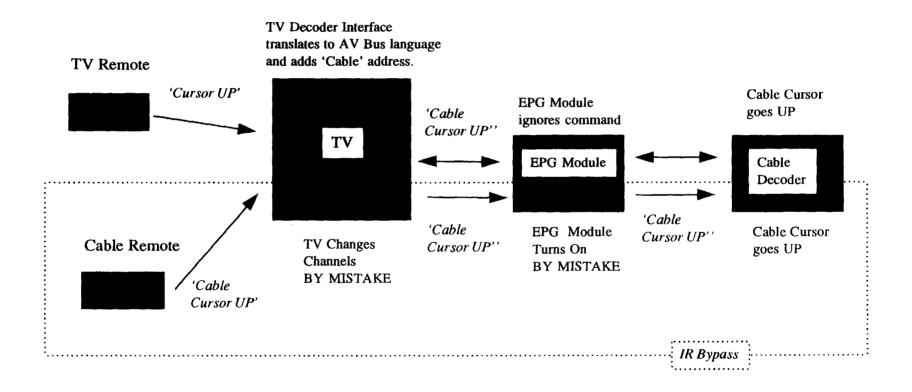
### IR Bypass = Bad Engineering



# IR Bypass = Additional Cost

- ◆ Current IR receivers are customized for a specific manufacturer's IR transmission scheme and codes.
- ◆ As a result, current IR receivers will not pass all IR transmissions.
- ◆ Adding IR Bypass will require adding a second IR receiver to 'cable-ready' models.

### There is a Solution!

- ◆ That requires minimal regulation.
- ◆ That produces maximum competition.
- ◆ That separates security from other features.
- ◆ That ensures the competitive supply of non-security features.
- ◆ That places no constraints on future technologies or services.

# A *Descrambling-Only* Interface will satisfy Congress, the FCC, and Industry

- ◆ The FCC should adopt a Decoder Interface for "cable-ready" equipment that does nothing more than allow for the descrambling of cable signals.
- ◆ Such an Interface --
  - Is simple.
  - Has for all practical purposes been designed.
  - Allows all non-security features to be provided competitively.
  - Ends the debate over the Decoder Interface and cable's proposed IR
     Bypass.
- ◆ The FCC should prescribe the same descrambling-only interface for set-top boxes to promote the competitive supply of these devices.

### The Benefits

#### To Consumers

- ◆ Ability to choose between integrated equipment or components.
- ◆ Ability to buy TVs and VCRs with built-in features that operate with cable service.
- ◆ Ability to rent <u>or buy</u> set-top boxes from cable or other sources.
- ◆ Elimination of any "bottleneck" at the interface between services and equipment.
- ◆ Availability of new and innovative equipment of higher quality at lower prices in a competitive market.

### The Benefits

#### To Cable

- ♦ Ability to prevent signal theft
- Ability to supply non-security boxes to subscribers in a competitive market.
- ◆ Decline in maintenance and capital costs, as consumers obtain equipment from competitive sources.

#### To Other Video Service Providers

- ◆ Creation of level playing field with cable service.
- ◆ The true cost of cable service will be disclosed when equipment rental costs are revealed.

### The Benefits

#### To Consumer Electronics Manufacturers

- ◆ Ability to supply non-security features in competitive market, either as components or as part of an integrated product.
- ◆ Enhanced features of consumer electronics equipment will not be disabled by cable boxes.
- Fewer complaints about cable compatibility.

#### To Retailers

- ◆ Creation of new market for retail sale of non-security settop boxes.
- Fewer complaints about cable compatibility.

## Electronic Industries Association Consumer Electronics Group

Presentation on the Decoder Interface Competition and Consumer Protection

> ET DOCKET NO. 93-7 FEBRUARY 21, 1995

# 'Set-top Boxes'

- ◆ 'Set-top boxes' and 'built-ins' can coexist.
  - 13MM VCRs/yr., 4MM TV/VCRs/yr.
- ◆ The 'box' isn't the problem, scrambling is.
- The only feature that is defeated by cable is tuning
  because of scrambling.
- ◆ A descrambling-only interface restores the ability of TVs and VCRs to tune channels as designed.

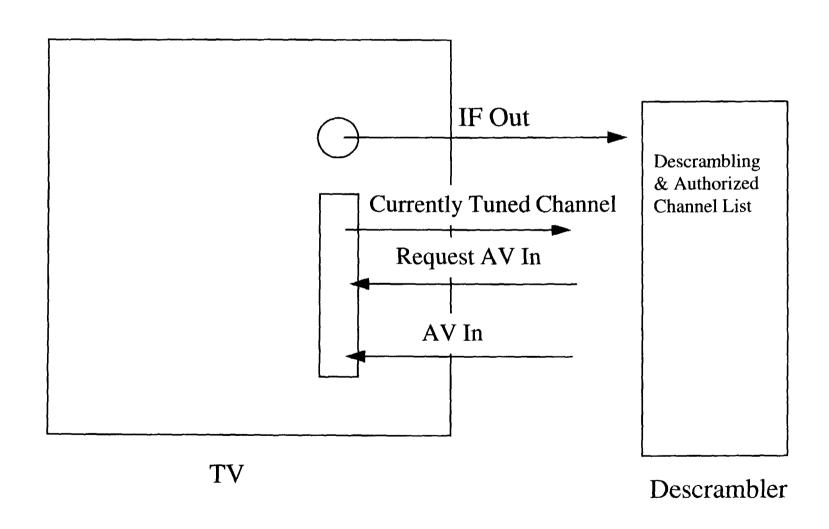
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# A Comparison

	O riginal Decoder Interface	Descram bling-only Interface
Basic	Not Req'd	Not Req'd
Expanded Basic	Nothing or Descrambler	Nothing or Descrambler
Prem ium	Descrambler	Descrambler
Pay Per View	Descrambler	Descrambler
M enu PPV	Interface box + Descrambler	Interface box + Descrambler
<b>D</b> igital	Digital Demod + Descrambler	Digital Demod + Descrambler

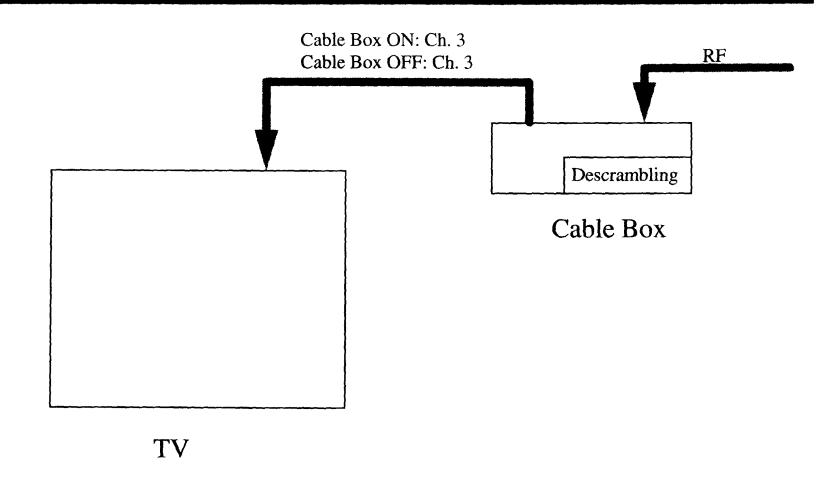
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### Descrambler Interface

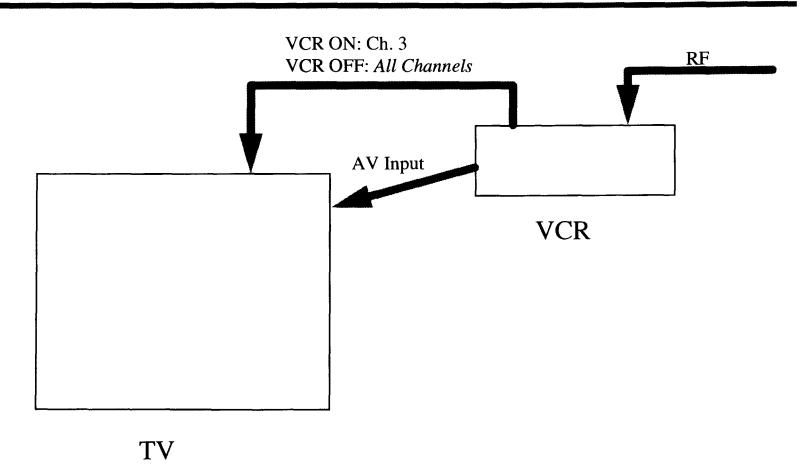


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### The Cable Box Problem

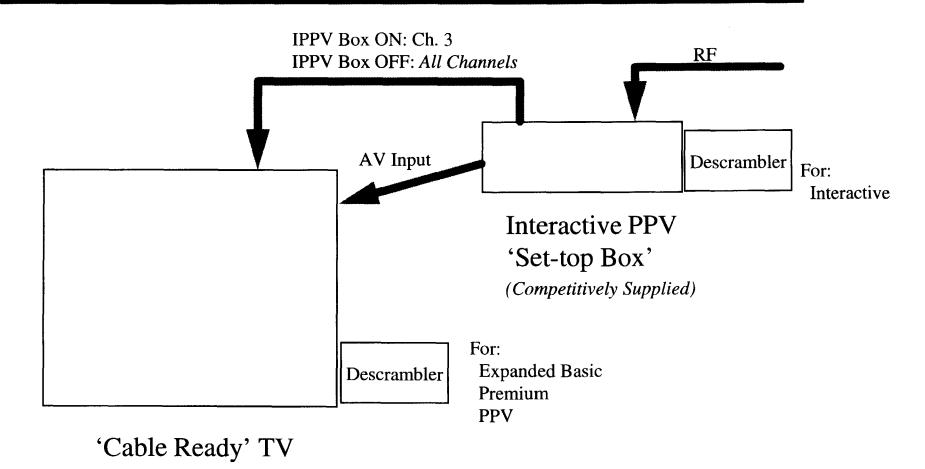


# The 'VCR Set-top Box'



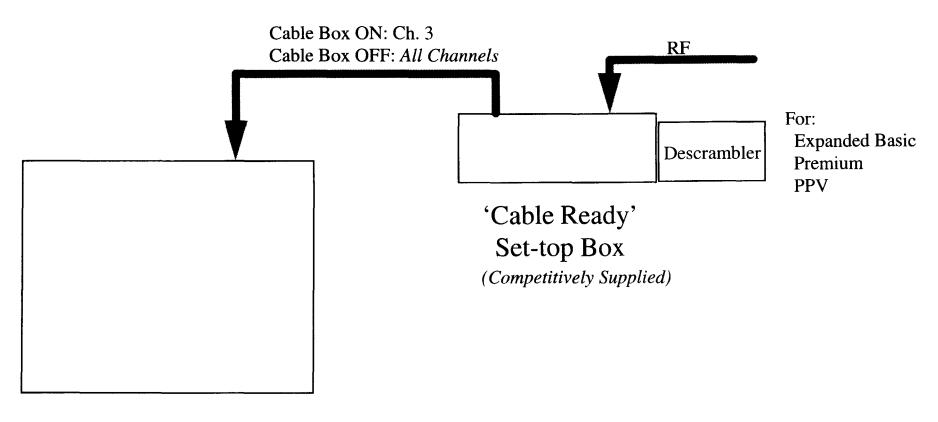
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### The 'Interactive PPV Set-top Box'



4

### The 'Cable Ready' Set-top Box



Non 'Cable Ready' TV

### The 'Cable Ready' TV and VCR

